

# Program Pricing

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## Price

- When a customer says “I can’t afford it”
- Never be afraid to ask the full price
- Buying cheap can be expensive

***CONVERT FEATURES TO BENEFIT\$***



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## **CASE STUDY-**

### ***Professional Project Management Program***

- Program Desired – *Project Management Series*
- Length – *10 day customized program*
- Faculty – *Academic credentials with industry exp.*
- Location – *Firm headquarters located 100 miles from University; program is to be conducted on site*
- Participants – *20 average*
- Program Request – *A result of visit six months before*



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## **Program Income & Expenses**

**Preparing a Program  
Budget Sheet**



## Fixed Expense

- Instructor fees
- Instructor travel
- Gifts
- Room rental
- AV equipment
- On-site coordination



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## Variable Expense

- Program materials
- Royalties
- Handouts
- Refreshments
- Meals
- Parking



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## Sunk Costs

- Facilities
- Non-refundable tickets
- Printed program materials
- Business development costs



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## Overhead/Administrative Expense

- Staff salaries and benefits
- Office fixtures and supplies
- Office rent
- Utilities
- Computers and network expenses



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# Pricing Strategies

What strategies do you use?



## Pricing Strategies

- Cost Plus Pricing
- Value Added Pricing
- Fixed Price With A Variable



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# Pricing Strategies

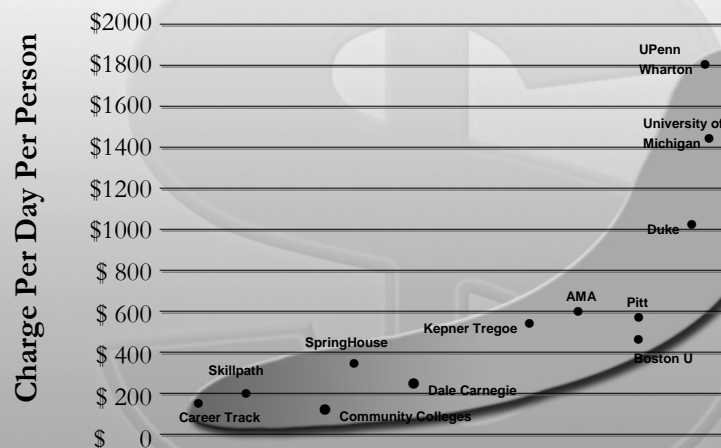
- Public Based Pricing
- Foot In The Door Pricing



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## Published Pricing for Public Programs



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# Pricing Strategies

- Client Based Pricing
- Discount or Volume Pricing
- Competitors Price



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## Breakeven

Level of sales at  
revenue (TR) will



## Profit

- Profit is remaining income . . .
- Profit is usually expressed as a percentage . . .



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## Price and Market Position

- Price Shoppers
- Brand Loyal
- Status Seekers
- Service Feature Shoppers
- Convenience Seekers



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## Methods for Overcoming the Question of Price

- *WHAT ARE YOUR ADVANTAGES?*
- Product
- Source
- People
- Service
- Benefits
- Reputation



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## Price Break-Down

- Break it down into weekly or monthly payments
- Will the customer save money?
- Price-Cost-Value
- Return on Investment (ROI)

***Price = amount paid for product***

***Cost = value and Impact***



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# Program Impact

How do you measure impact?



## Exclusivity

- What do you have that competition cannot offer?
- Offer more for a higher price
- Determine what the prospect wants
- Identify features that satisfy needs/wants
- Make prospect feel **only you** can deliver
- Demonstrate benefits of product



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## Use Comparison

- “Two of a Kind”
- A demonstration is very effective



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## Price Question

- Answered price questions near the end
- *EVIDENCE HELPS!*
- Show **FABE**

***Features, Advantages, Benefits, Evidence***



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## Nibbling

- Attempts to get concessions
- Don't give in!
- Justify your position
- Know competitor product and pricing



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## Objections to Price

- That's more than I want to pay
- The price is too high
- I can get it for less
- Strategy: build value and benefits



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## Feature vs. Benefits

- Stress benefits with features and advantage as support
- A feature is a physical characteristic
- An advantage is the performance characteristic
- A benefit is a favorable result



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## Feature

- Size
- Color
- Taste
- Quality
- Delivery
- Terms
- Packaging
- Flavor
- Service
- Uses
- Technology



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## Advantages

- Fastest selling
- Storage
- Biggest
- Smallest
- Physical Performance
- Least Expensive



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## Benefits

- Greater Profit
- Time Savings
- Increased Sales
- Improved Communication
- Improved Work Climate
- Improved Morale
- Improved Employee Retention
- Cost Reduction
- Cost Avoidance
- Government Compliance
- Improved Work Safety
- More Customers
- Increased Customer Satisfaction
- Contributed to Core Values



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## Example

Sports - with this ball, you will get an extra 10-20 yards on your drive **(advantage)** helping to reduce your score **(benefit)** because of its new solid core **(feature)**



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## The Customer

A client's perception of the price of a good or service as being fair, good, high or low is more important than its actual price or value.

*Perception is everything!*



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# Application Case Scenarios

Compare Your Proposals



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